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Jack Dothage
Interim Director
Division of Accounting

MEMORANDUM

TO: Agency Payroll/Personnel Officers

FROM: OA/Accounting

DATE: October 15, 2004

RE: Savings Bond Deduction Policy Change

A policy change is being implemented concerning payroll deductions for savings bonds. The U.S. Treasury now provides the ability for individuals to make automatic online purchases at www.treasurydirect.gov. Therefore, the state is simplifying the administration of bond deductions to take advantage of the U.S. Treasury site and not duplicate the effort.

Effective with the payroll dated December 30, 2004, payroll deductions for savings bond purchases will only be allowed for those employees that purchase a bond with one payroll deduction. The majority of SAMII HR savings bond enrollments are set up to deduct over two or more pay periods before a bond is purchased. Multiple payments toward a purchase can now be accommodated through the www.treasurydirect.gov system.

The SAMII HR enrollments that do not purchase one bond per pay cycle will be phased out beginning with the October 29, 2004 pay date. During the four pay dates of October 29th, November 15th, November 30th, and December 15th, OA/Accounting will expire SAVB enrollments not meeting the one-per-cycle criteria as the bonds are purchased. Any contributions toward the purchase of a bond that remain after December 15th will be refunded to the employee. Agencies should **not** set up new multiple payment deductions during this time.

Agencies should notify affected employees of this change. The employee may opt to change their deduction to an amount sufficient to purchase a bond each pay period, or they may take advantage of the online bond purchase system mentioned above. Depending on each employee's familiarity with and access to the Internet, they may need assistance from their payroll or personnel office to navigate the account setup with the treasury direct system. Please offer that assistance as you notify your employees of this change. We will be forwarding *treasurydirect* instructions to you in the near future. Savings Bonds may also be purchased at most local banks.

With the December 30, 2004 pay date, the SAMII HR system will be changed to prohibit the purchase of bonds with more than one deduction. After this change, any employee enrolled on SAVB will only be able to purchase a bond with a full deduction per pay period (see attached table). For example, to purchase a savings bond with a face value of \$100, the deduction will need to be \$50 for a single pay period. The ability to purchase bonds with partial purchase amount deductions over several pay periods will no longer be available through payroll deduction.

If you have questions, contact Vandee DeVore, Central Payroll Manager at (573) 522-5863 or by email at Vandee.DeVore@oa.mo.gov.

Savings Bonds Deductions Available Effective December 30, 2004

Bond Face Value	Deduction Amt	Event Catg.	DEDT	DPLN	Description
\$ 100.00	\$ 50.00	SAVBD	100-1	100-1	1st \$100 Denom Savings Bond
\$ 200.00	\$ 100.00	SAVBD	200-1	200-1	1st \$200 Denom Savings Bond
\$ 500.00	\$ 250.00	SAVBD	500-1	500-1	1st \$500 Denom Savings Bond
\$ 1,000.00	\$ 500.00	SAVBD	10001	10001	1st \$1000 Denom Savings Bond